

**1. PARTIES**

The Montana Department of Corrections (DEPARTMENT) and Youth Homes, Inc. (CONTRACTOR) enter into this Contract (08-007-YSD) for services. The parties name, address, and telephone number are as follows:

Montana Department of Corrections  
Youth Services Division  
1539 11<sup>th</sup> Avenue  
PO Box 201301  
Helena, Montana 59620-1301  
(406) 444-3930

*Youth Homes, Inc.*  
*PO Box 7616*  
*550 N California Street*  
*Missoula MT 59807*  
*(406) 721-2704*

**DEPARTMENT AND CONTRACTOR, AS PARTIES TO THIS CONTRACT AND FOR THE CONSIDERATION SET FORTH BELOW, AGREE AS FOLLOWS:**

**2. DUTIES/RESPONSIBILITIES OF THE CONTRACTOR**

In accordance with CONTRACTOR'S response to Request For Proposal 02-595P, as amended, CONTRACTOR agrees to provide specialized foster home placement of "hard to place" youths leaving the Pine Hills Youth Correctional Facility or Riverside Youth Correctional Facility on parole supervision.

The first priority for these placements will be male youth sex offenders. Other "hard to place" youth will be considered after the first priority population. DEPARTMENT expects to place up to twenty (20) youth in these foster placements during a contract year, but will not guarantee a minimum or maximum number of youth for placement.

**2.1 Foster homes utilized by CONTRACTOR must:**

- A. Be located throughout the State and provide services in accordance with this Contract;
- B. Meet license requirements as Foster Care Homes under the Department of Public Health and Human Services' standards and other special requirements as outlined by DEPARTMENT and agreed to by CONTRACTOR;
  - i. Foster Care Homes licensed under the Department of Public Health and Human Services' standards for this contract will house only youth from DEPARTMENT for the "Guide Homes" project. No other youth may be placed in the home from any other agency or program.
  - ii. Youth housed in Foster Care Homes licensed under the Department of Public Health and Human Services' standards for this contract ("Guide Homes"), will be housed one at a time in respite homes. No other youth may reside or be placed in the respite care home from any other agency or program. This does not preclude using Shelter Care if no respite care home is available.
- C. Provide youth with access to routine and emergency medical services;

- D. Provide youth with access to therapist(s) providing pertinent treatment (such as outpatient sex offender treatment for sex offenders or intensive outpatient chemical dependency treatment for chemically dependent offenders); and
- E. Be Medicaid and/or IV-E eligible.

**2.2 CONTRACTOR shall:**

- A. Manage this program by providing the following components in accordance with DEPARTMENT'S policies and procedures:
  - i. Recruit, perform criminal and child abuse registry checks, and train foster parents in the area of Cognitive Restructuring approach.
  - ii. Maintain access to relevant outpatient therapy providers in the community.
  - iii. Use Cognitive Restructuring approach with youth.
  - iv. Pay for all services related to the youths' placement, including but not limited to: foster homes and outpatient therapy.
  - v. Coordinate with DEPARTMENT personnel in secure facilities and in communities. (Note - Juvenile Parole Officers will supervise all youth served under this Contract.)

**2.3 Each youth placed must be provided access to:**

- A. A support system made up of individuals within the community, all members being familiar with the case and able to communicate openly with other members of the support group about the case and the youth's participation in the ongoing programming deemed necessary. Members of this support system must include a Juvenile Parole Officer, local law enforcement officer(s), a therapist, and foster family individuals. Members may also include education staff, religious community representatives, youth organization representatives, mentors, victim advocates or representatives, and other appropriately involved individuals.

**2.4 CONTRACTOR shall implement and maintain a data management system to track outcomes for youth placed through this Contract. CONTRACTOR shall provide quarterly and annual reports including, but not limited to:**

- 1. Basic demographic information.
- 2. Services provided.
- 3. Returns to confinement for offenses that would be felony if the youth were an adult.
- 4. Positive outcomes (such as finishing educational components, victim restitution, successful return to home, employment and therapeutic progress) and reduction of dynamic criminogenic risk factors (examples are: conning/manipulation, impulsivity, low frustration tolerance, danger/thrill seeking, poor consequential thinking, poor option generation, alienation from mainstream socialization, egocentrism,

neutralization/non empathy/lack of remorse, externalization/blaming, hostility/resistance toward work, attachment to criminal activities, poor use of leisure time, affiliation/identification with criminals, boredom/dissatisfaction with conventional activities, drug abuse/addiction, poor family relations, conflicts with authority/supervision, conflicts with peers, instability/excitability, poverty of social skills, poor recognition of patterned responses).

### **3. COMPENSATION/BILLING**

DEPARTMENT shall compensate CONTRACTOR for successful delivery of the services provided pursuant to Section 2 in the following manner:

- A. DEPARTMENT shall pay CONTRACTOR **\$135.90** (one hundred thirty five and 90/100 Dollars), consisting of \$85.36 (eighty five and 36/100 Dollars) administrative costs and \$50.54 (fifty and 54/100 Dollars), per youth, per day placed in a Montana Youth Homes Foster Home, not to exceed **\$461,245.00** (four hundred sixty one thousand two hundred forty five and 00/100 Dollars) in fiscal year 2008. DEPARTMENT shall pay CONTRACTOR **\$139.29** (one hundred thirty nine and 29/100 Dollars), consisting of \$87.49 (eighty seven and 49/100 Dollars) administrative costs and \$51.80 (fifty one and 80/100 Dollars) per youth, per day placed in a Montana Youth Homes Foster Home, not to exceed **\$472,751.00** (four hundred seventy two thousand seven hundred fifty one and 00/100 Dollars) in fiscal year 2009.
- B. DEPARTMENT shall also pay CONTRACTOR for all youth incurred, pre-approved medical costs not paid by Medicaid or insurance.
- C. DEPARTMENT agrees to pay CONTRACTOR within 30 business days following receipt of a correct invoice.
- D. DEPARTMENT may withhold payments to CONTRACTOR if CONTRACTOR has not performed in accordance with the terms of this Contract.
- E. The Contract number must be referenced on all invoices and correspondence pertaining to this Contract.

### **4. AGENCY ASSISTANCE**

To the extent possible, CONTRACTOR shall use its own facilities and equipment in providing the services set forth in Section 2. However, the parties recognize that services provided to DEPARTMENT may occur within the confines of a secure correctional facility necessitating the use of DEPARTMENT facilities and equipment including, but not limited to, access to inmate records, work space within a correctional facility, and telephone service (e.g., Montana State Prison and Montana Women's Prison do not allow wireless phones within facility).

### **5. TIME OF PERFORMANCE**

This Contract shall take effect on July 1, 2007 and shall terminate on June 30, 2009, unless terminated earlier in accordance with the terms of this Contract. This Contract may, upon mutual agreement and according to the terms of the existing Contract, be renewed for a period not to exceed a total of five (5) additional years.

Upon expiration of this Contract, and in the absence of a new written agreement, the terms listed herein shall continue to govern the agreement between the parties until such time as a new Contract is signed.

**6. LIAISONS AND NOTICE**

- A. Karen Duncan (444-4390) 1539 11<sup>th</sup> Avenue, Helena MT 59620 or successor serves as DEPARTMENT'S liaison.
- B. Geoffrey Birnbaum (721-2704) 550 North California Street, Missoula MT 59807 or successor serves as CONTRACTOR'S liaison.
- C. All notices and invoices required in this Contract shall be in writing, properly addressed to the liaison in (A) and (B) above, mailed first-class, postage prepaid. All notices sent via U.S. Postal Service are deemed effective on the date of postmark. Notices and invoices mailed through another carrier (e.g., UPS or FedEx) are effective upon receipt.

**7. OWNERSHIP AND PUBLICATION OF MATERIALS**

All materials CONTRACTOR develops or utilizes (i.e., reports, spreadsheets, etc.) in performing the services set forth in Section 2 above shall be the sole property of DEPARTMENT.

**8. COMPLIANCE WITH WORKERS' COMPENSATION ACT**

Neither CONTRACTOR nor its employees are employees of the State. In accordance with sections 39-71-120, 39-71-401, and 39-71-405, MCA, Contractors are required to comply with the provisions of the Montana Workers' Compensation Act while performing work for the State of Montana. CONTRACTOR shall provide proof of compliance in the form of workers' compensation insurance, an independent contractor exemption, or documentation of corporate officer status and maintain such insurance, exemption, or corporate officer status for the duration of the contract. CONTRACTOR shall submit a copy of all renewals of expired insurance and exemptions to: Department of Corrections, Contracts and Facilities Management Bureau, Attn: Contracts Manager, PO Box 201301, Helena, MT 59620-1301.

**9. HOLD HARMLESS AND INDEMNIFICATION**

CONTRACTOR agrees to protect, defend, and save the State, its elected and appointed officials, agents, and employees, while acting within the scope of their duties as such, harmless from and against all claims, demands, and causes of action of any kind or character, including the cost of defense thereof, arising in favor of CONTRACTOR'S employees or third parties on account of bodily or personal injuries, death, or damage to property arising out of services performed or omissions of services or in any way resulting from the acts or omission of CONTRACTOR and/or its agents, employees, representatives, assigns, subcontractors, except the sole negligence of the State, under this agreement.

**10. INSURANCE**

- A. **General Requirements:** The contractor shall maintain for the duration of the contract, at its cost and expense, insurance against claims for injuries to persons or damages to property, including contractual liability, which may arise from or in connection with the performance of the work by the contractor, agents, employees, representatives, assigns, or subcontractors. This insurance shall cover such claims as may be caused by any negligent act or omission.

**Primary Insurance:** The contractor's insurance coverage shall be primary insurance as respect to the State, its officers, officials, employees, and volunteers and shall apply separately to each project or location. Any insurance or self-insurance maintained by the State, its officers, officials, employees or volunteers shall be in excess of the contractor's insurance and shall not contribute with it.

**Specific Requirements for Commercial General Liability:** The contractor shall purchase and maintain occurrence coverage with combined single limits for bodily injury, personal injury, and property damage of \$1,000,000 per occurrence and \$2,000,000 aggregate per year to cover such claims as may be caused by any act, omission, or negligence of the contractor or its officers, agents, representatives, assigns or subcontractors.

**Additional Insured Status:** The State, its officers, officials, employees, and volunteers are to be covered as additional insured's; for liability arising out of activities performed by or on behalf of the contractor, including the insured's general supervision of the contractor; products and completed operations; premises owned, leased, occupied, or used.

- B. Specific Requirements for Automobile Liability:** The Contractor shall purchase and maintain occurrence coverage with combined single limits for bodily injury, personal injury, and property damage of \$1,000,000 per occurrence and \$2,000,000 aggregate per year to cover such claims as may be caused by any act, omission, or negligence of the Contractor or its officers, agents, representatives, assigns or subcontractors.

**Additional Insured Status:** The State, its officers, officials, employees, and volunteers are to be covered as additional insured's for automobiles leased, hired, or borrowed by the Contractor.

- C. Specific Requirements for Professional Liability:** The contractor shall purchase and maintain occurrence coverage with combined single limits for each wrongful act of \$1,000,000 per occurrence and \$2,000,000 aggregate per year to cover such claims as may be caused by any act, omission, negligence of the contractor or its officers, agents, representatives, assigns or subcontractors. Note: if "occurrence" coverage is unavailable or cost prohibitive, the contractor may provide "claims made" coverage provided the following conditions are met: (1) the commencement date of the contract must not fall outside the effective date of insurance coverage and it will be the retroactive date for insurance coverage in future years; and (2) the claims made policy must have a three year tail for claims that are made (filed) after the cancellation or expiration date of the policy.

**Deductibles and Self-Insured Retentions:** Any deductible or self-insured retention must be declared to and approved by the state agency. At the request of the agency either: (1) the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects the State, its officers, officials, employees, and volunteers; or (2) the contractor shall procure a bond guaranteeing payment of losses and related investigations, claims administration, and defense expenses.

**Certificate of Insurance/Endorsements:** A certificate of insurance from insurer with a Best's rating of no less than A- indicating compliance with the required coverage's has been received by the State Procurement Bureau, P.O. Box 200135, Helena, MT 59620-0135. The contractor must notify the State immediately, of any material change in insurance coverage, such as changes in limits, coverage's, change in status of policy, etc. The State reserves the right to require complete copies of insurance policies at all times.

**11. ACCESS AND RETENTION OF RECORDS**

CONTRACTOR agrees to provide DEPARTMENT, the Legislative Auditor, or their authorized agents with access to any records necessary to determine Contract compliance (Ref. 18-1-118, MCA). CONTRACTOR agrees to create and retain all records supporting the services rendered and/or supplies delivered for a period of three years after either the completion date of this Contract or the conclusion of any claim, litigation, or exception relating to this Contract taken by the State of Montana or a third party.

**12. PUBLIC INFORMATION**

CONTRACTOR recognizes that this Contract may be subject to public inspection pursuant to Article 2, § 9 of the Montana Constitution. DEPARTMENT has a limited ability to assert a privacy interest in the subject matter of the Contract particularly with respect to information which is in the nature of a "trade secret" as the phrase is defined in federal law. In any event, CONTRACTOR agrees to hold DEPARTMENT harmless from any injury caused, in whole or in part, by the review of this agreement by an entity authorized to do so pursuant to Article 2, § 9 of the Montana Constitution.

**13. ASSIGNMENT, TRANSFER AND SUBCONTRACTING**

CONTRACTOR shall not assign, sell, transfer, subcontract or sublet rights, or delegate duties under this Contract, in whole or in part, without the prior written approval of DEPARTMENT. No such written approval shall relieve CONTRACTOR of any obligation of this Contract and any transferee or subcontractor shall be considered the agent of CONTRACTOR. CONTRACTOR shall remain liable as between the original parties to the Contract as if no such assignment had occurred.

**14. AMENDMENTS**

All amendments to this Contract shall be in writing and signed by the parties.

**15. COMPLIANCE WITH LAWS**

CONTRACTOR must, in performance of work under the Contract, fully comply with all applicable federal, state, or local laws, rules and regulations, including the Montana Human Rights Act, the Civil Rights Act of 1964, the Age Discrimination Act of 1975, the Americans with Disabilities Act of 1990, and Section 504 of the Rehabilitation Act of 1973. Any subletting or subcontracting by CONTRACTOR subjects subcontractors to the same provision. In accordance with section 49-3-207, MCA, CONTRACTOR agrees that the hiring of persons to perform the Contract will be made on the basis of merit and qualifications and there will be no discrimination based upon race, color, religion, creed, political ideas, sex, age, marital status, physical or mental disability, or national origin by persons performing the Contract.

**16. TERMINATION AND DEFAULT**

- A. DEPARTMENT may, by written notice to CONTRACTOR, terminate this Contract in whole or in part at any time CONTRACTOR fails to perform as required in this Contract.
- B. Either party may terminate this Contract without cause by providing written notice to the other as described in this paragraph. The party desiring to terminate the Contract shall provide written notice to the other, which notice will establish a termination date not less than 30 days from the date of such notice. The termination of this Contract shall not limit any party's pursuit of remedies provided in this Contract or otherwise available under the laws of the State of Montana.

- C. DEPARTMENT, at its sole discretion, may terminate or reduce the scope of this Contract if available funding is reduced for any reason.
- D. Failure on the part of either party to perform the provisions of this Contract constitutes default. Default may result in pursuit of a remedy for breach of Contract including, but not limited to, monetary damages or specific performance.

**17. CHOICE OF LAW AND VENUE**

The laws of Montana govern this Contract. The parties agree that any mediation, arbitration or litigation concerning this Contract must be brought in the First Judicial District in and for the County of Lewis and Clark, State of Montana, and each party shall pay its own costs and attorney fees (Ref. 18-1-401, MCA).

**18. LICENSURE**

CONTRACTOR agrees to provide copies of current licenses and certifications that register CONTRACTOR and any associates performing under this Contract.

**19. INTEGRATION**

This Contract contains the entire agreement between the parties and no statement, promises, or inducements made by either party or agents thereof, which are not contained in the written Contract, shall be binding or valid. This Contract shall not be enlarged, modified, or altered except upon written agreement signed by all parties to the Contract.

**20. SEVERABILITY**

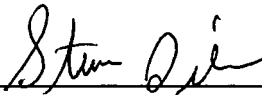
A declaration by any court, or any other binding legal source, that any provision of this Contract is illegal and void shall not affect the legality and enforceability of any other provision of this Contract, unless the provisions are mutually dependent.

**21. COMPLETED CONTRACT**

DEPARTMENT cannot disburse any payments under this Contract until a fully executed original Contract is returned to the Department of Corrections, Contracts and Facilities Management Bureau, PO Box 201301, 1539 11<sup>th</sup> Avenue, Helena, MT 59620-1301.


**SIGNATURE**

**DEPARTMENT**

  
\_\_\_\_\_  
Steve Gibson, Administrator  
Youth Services Division


6-21-07  
Date

**CONTRACTOR**

  
\_\_\_\_\_  
Geoffrey L. Birnbaum, Executive Director  
Youth Homes, Inc.


7-30-2007  
Date

Approved for Legal Content by:

  
\_\_\_\_\_  
Colleen White, Legal Counsel  
Montana Department of Corrections

6/21/07  
Date

Approved as to form by:

  
\_\_\_\_\_  
Penny Moon, Contracts Officer  
State Procurement Bureau

7/17/07  
Date



**CONTRACT AMENDMENT  
CONTRACT #08-007-YSD**

THIS CONTRACT AMENDMENT (**Amendment #1**) is made and entered into by and between the Montana Department of Corrections (DEPARTMENT) 1539 11th Ave., Helena, Montana 59620-1301 and **Youth Homes, Inc.** (CONTRACTOR) PO Box 7616, 550 North California Street, Missoula, Montana 59807 and is effective upon receipt of all signatures.

WHEREAS, the parties have entered a Contract with an original effective date of July 1, 2007 and Section 19 provides that the parties may modify their agreement in writing.

NOW THEREFORE, the parties agree to amend the Contract as follows (**new language underlined, old language interlined**):

**2. DUTIES/RESPONSIBILITIES OF THE CONTRACTOR AND DEPARTMENT**

In accordance with CONTRACTOR'S response to Request For Proposal 02-595P, as amended, CONTRACTOR agrees to provide specialized foster home placement of "hard to place" youths leaving the Pine Hills Youth Correctional Facility or Riverside Youth Correctional Facility on parole supervision.

The first priority for these placements will be male youth sex offenders. Other "hard to place" youth will be considered after the first priority population. DEPARTMENT expects to place up to twenty (20) youth in these foster placements during a contract year, but will not guarantee a minimum or maximum number of youth for placement.

**2.1** No Changes

**2.2** CONTRACTOR shall:

A. No Changes

B. Provide initial set up and training for Youth Homes Inc. staff and Youth Parole Officers in Missoula, Kalispell, Butte, and Helena, as well as Family Guide Services before June 30, 2008.

C. Work with Youth Parole Officers to recruit four (4) youth/family units.

D. Provide summary information for Youth Correctional Facilities and Youth Parole Officers on the referral process.

E. Provide Family Guide Services for youth and families referred by DEPARTMENT that are willing to participate for up to four (4) youth during the time period from July 1, 2008 to October 1, 2009. Each youth and family will have one more month of services available.

F. Provide one (1) case worker for every 6.7 cases with associated supervision and consultation.

G. Coordinate with mentors if provided by Mountain Peaks Inc., including weekly meetings with mentors.

H. Family development using Love and Logic parenting classes provided in group or individual sessions.

I. Family or individual therapy.

J. Assess family relationship at the beginning of services and after five (5) months of services and report family relationship improvements.

2.3 No Changes

2.4 No Changes

2.5 DEPARTMENT shall:

A. Refer youth and families considered appropriate for the service.

B. Measure outcomes:

i. Youth remaining in home placements.

ii. Youth recidivism.

iii. Youth parole violations.

C. Review outcomes and notify CONTRACTOR of intent for continuing contract by December 15, 2008.

D. Youth Parole Officers will attend Intake meetings and provide ongoing supervision of the youth placed at his/her family home.

### 3. COMPENSATION/BILLING

DEPARTMENT shall compensate CONTRACTOR for successful delivery of the services provided pursuant to Section 2 in the following manner:

A. DEPARTMENT shall pay CONTRACTOR **\$135.90** (one hundred thirty five and 90/100 Dollars), consisting of \$85.36 (eighty five and 36/100 Dollars) administrative costs and \$50.54 (fifty and 54/100 Dollars), per youth, per day placed in a Montana Youth Homes Foster Home. DEPARTMENT shall pay CONTRACTOR up to \$42,000.00 (forty two thousand and 00/100 Dollars) for initial set up and training in new communities listed in Section 2.2 (B). DEPARTMENT shall not to exceed ~~\$461,245.00 (four hundred sixty one thousand two hundred forty five and 00/100 Dollars)~~ \$503,245.00 (five hundred three thousand two hundred forty five and 00/100 Dollars) in fiscal year 2008. DEPARTMENT shall pay CONTRACTOR **\$139.29** (one hundred thirty nine and 29/100 Dollars), consisting of \$87.49 (eighty seven and 49/100 Dollars) administrative costs and \$51.80 (fifty one and 80/100 Dollars) per youth, per day placed in a Montana Youth Homes Foster Home, not to exceed **\$472,751.00** (four hundred seventy two thousand seven hundred fifty one and 00/100 Dollars) in fiscal year 2009.

DEPARTMENT shall pay CONTRACTOR a Family Guide Service daily rate of \$76.33 (seventy six and 33/100 Dollars) through CAPS for families served by November 30, 2009, not to exceed

\$37,000.00 (thirty seven thousand and 00/100 Dollars).

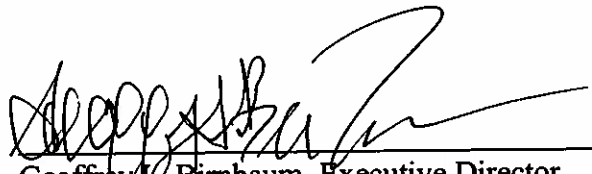
- B. No Changes
- C. No Changes
- D. No Changes

The Contract number must be referenced on all invoices and correspondence pertaining to this Contract. All other provisions contained in the original Contract, as amended, shall remain unchanged.

**DEPARTMENT**

**CONTRACTOR**

  
\_\_\_\_\_  
Steve Gibson, Administrator  
Youth Services Division

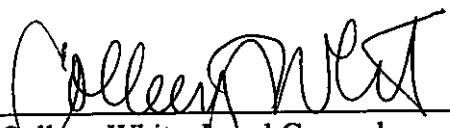
  
\_\_\_\_\_  
Geoffrey L. Birnbaum, Executive Director  
Youth Homes, Inc.

5-2-08  
\_\_\_\_\_  
Date

5.8.2008  
\_\_\_\_\_  
Date

Approved for Legal Content by:

Approved as to form by:

  
\_\_\_\_\_  
Colleen White, Legal Counsel  
Montana Department of Corrections

  
\_\_\_\_\_  
Penny Moon, Contracts Officer  
State Procurement Bureau

5/1/08  
\_\_\_\_\_  
Date

5/20/08  
\_\_\_\_\_  
Date